

***“I have told each of my Cabinet, as well as mayors and governors across the country, that they will be held accountable by me and the American people for every dollar they spend.” – President Barack Obama, 2/24/2009, Address to Joint Session of Congress***

**WASHINGTON. D.C.** – House Committee on Oversight and Government Reform Ranking Member Darrell Issa (R-CA) sent a letter today to Earl Devaney, Chair of the Recovery Act Transparency and Accountability Board, calling into question Administration guidelines released by the Office of Management and Budget (OMB) that contradict the President’s promise of an “unprecedented oversight effort” of the nearly \$800 billion included in the American Recovery and Reinvestment Act signed into law last month.

“Full transparency requires attention to not just *what* is posted online, but also *how* the information is posted. Information about how the taxpayers’ money is distributed must be disclosed in a structured, open, and searchable format,” Issa wrote to Devaney. “Spending this massive sum of money in relatively short order presents the dangerous probability of waste, fraud, and abuse.”

Issa's letter calls into question the Administration's stated goal of transparency and accountability, "I am surprised and troubled to read in recently released OMB guidance that the Administration may be backing away from the President's commitment to the American people by directing agencies to withhold key data that should be disclosed to the American public," the letter reads. "If the Administration agrees that accountability for stimulus spending is essential, as the President promised, then it must disclose to the American public exactly where each dollar of taxpayer money is going and for what purpose it is spent."

As head of the Office of Inspector General, Earl Devaney is currently responsible for overseeing the administration of a nation wide, independent program of audits, evaluations, and investigations involving the Department of the Interiors programs and operations.

The letter asks the Administration to clarify how Recovery.gov will work:

1. What data will be disclosed on Recovery.gov? Will each agency publish the reports mandated by the American Recovery and Reinvestment Act on its own web site or will everything be centrally housed at Recovery.gov? If the information and reports are not centrally

housed, will there be a central aggregator or some other way to automate accessing the various agency reports?

2. Will reports from recipients (states, cities, private entities, etc.) be in a standard format? If so, what is that standard format? What are the fields the Administration will require from recipients and make available to the public? Will the Administration direct agencies to publish the recipient reports in their entirety?

3. How deeply will the data be reported? Will there be disclosure of every transaction between every recipient, contractor, and subcontractor in the supply chain up to when the project is completed? Will the Administration require all states and/or cities to report where each dollar of taxpayer money went and what was accomplished with each project?

4. What procedures do you have in place or do you plan to put in place to enforce the American Recovery and Reinvestment Act's requirement that contracts funded under the Act are to be awarded as fixed-price contracts through the use of competitive procedures? If you do not mandate disclosure of every transaction down to the contractor and subcontractor level, how will you be able to enforce this requirement?

**The text of the full letter is provided below:**

The Honorable Earl Devaney

Chairman

Recovery Act Transparency and Accountability Board

1849 C Street NW

Mail Stop 4428

Washington, DC 20204

Dear Chairman Devaney,

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act into law. This law allocates nearly \$800 billion to fund government run programs that promise to put Americans to work and stimulate the economy. Spending this massive sum of money in relatively short order presents the dangerous probability of waste, fraud, and abuse. In order to combat the wasting of taxpayer funds, it is absolutely essential that every single dollar of stimulus funding be fully transparent. Only then can the American people hold our government accountable for the results of this unprecedented intervention in the US economy.

I am pleased that the Administration agrees that transparency and accountability is vital.

President Obama "told each of [his] cabinet, as well as mayors and governors across the country, that they will be held accountable by me and the American people for every dollar they spend."<sup>[1]</sup> As Vice President Biden proclaimed:

We have got to make sure that we hold as many people accountable, not in a draconian way,

but actually get this done. And up to now, you've never had to -- we've never had to sort of follow the dollar, follow the dollar beyond where we ordinarily -- other than meeting the criteria, does the state, the county, the city qualify for it and we cut the check. Well, we're going to be more intrusive than that, beyond cutting a check. And so, you know, every person that any federal dollar flows through has a responsibility to see it's used well. <sup>[2]</sup>

However, given the Administration's stated goal of transparency and accountability, I was surprised and troubled to read in recently released OMB guidance that the Administration may be backing away from the President's commitment to the American people by directing agencies to withhold key data that should be disclosed to the American public:

Reporting requirements only apply to the prime non-Federal recipients of Federal funding, and the subawards (i.e., subgrants, subcontracts, etc.) made by these prime recipients. They do not require each subsequent subrecipient to also report. For instance, a grant could be given from the Federal government to State A, which then gives a subgrant to City B (within State A), which hires a contractor to construct a bridge, which then hires a subcontractor to supply the concrete. In this case, State A is the prime recipient, and would be required to report the subgrant to City B. However, City B does not have any specific reporting obligations, nor does the contractor or subcontractor for the purposes of reporting for the Recovery.gov website. <sup>[3]</sup>

If the Administration agrees that accountability for stimulus spending is essential, as the President promised, then it must disclose to the American public exactly where each dollar of taxpayer money is going and for what purpose it is spent. The public deserves to know more

than the fact that the state of Mississippi made a sub-grant to the city of Laurel, for example, for doorbells.<sup>[4]</sup> The public deserves to know the contractor or subcontractor that obtained taxpayer money to install the doorbells, how much the contractor or subcontractor received, and what was accomplished by the installation of the doorbells.

In addition, in our modern Internet age, full transparency requires attention to not just *what* is posted online, but also *how* the information is posted. Information about how the taxpayers' money is distributed must be disclosed in a structured, open, and searchable format. The data must be disclosed in a machine-readable format that allows individual users to subscribe to the data feeds and to use the information in their own creative ways.

The American public is waiting to learn how they will be able to access and analyze information about how their money is going to be spent. Third parties are waiting in the wings to build tools to combat waste, fraud,

# More Questions Than Answers Regarding Recovery.Gov

Thursday, 12 March 2009 00:00

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and abuse, and the public deserves a detailed plan of the data the Administration plans to release and how the data will be released. As such, by close of business on Monday, March 26, 2009, please provide a plan that answers the following questions:

1. What data will be disclosed on Recovery.gov? Will each agency publish the reports mandated by the American Recovery and Reinvestment Act on its own web site or will everything be centrally housed at Recovery.gov? If the information and reports are not centrally housed, will there be a central aggregator or some other way to automate accessing the various agency reports?
2. Will reports from recipients (states, cities, private entities, etc.) be in a standard format? If so, what is that standard format? What are the fields the Administration will require from recipients and make available to the public? Will the Administration direct agencies to publish the recipient reports in their entirety?
3. How deeply will the data be reported? Will there be disclosure of every transaction between every recipient, contractor, and subcontractor in the supply chain up to when the project is completed? Will the Administration require all states and/or cities to report where each dollar of taxpayer money went and what was accomplished with each project?
4. What procedures do you have in place or do you plan to put in place to enforce the American Recovery and Reinvestment Act's requirement that contracts funded under the Act are to be awarded as fixed-price contracts through the use of competitive procedures? If you do not mandate disclosure of every transaction down to the contractor and subcontractor level, how will you be able to enforce this requirement?

Thank you in advance for your prompt attention to this critical issue. If you have any questions concerning this letter, please contact Senior Counsel Christopher Hixon at 202-225-5074.

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<sup>[1]</sup> Remarks by President Barack Obama, Address to Joint Session to Congress, February 24, 2009.

<sup>[2]</sup> Remarks by Vice President Joseph Biden at the Opening of the First Recovery Plan Implementation Meeting, Wednesday, February 25, 2009.

<sup>[3]</sup> Memorandum to the Heads of Departments and Agencies from Peter R. Orszag, Director, OMB, on Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009, available at [http://www.whitehouse.gov/omb/assets/memoranda\\_fy2009/m09-10.pdf](http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-10.pdf)

[\[4\]](#) The US Conference of Mayors "wish list" for the use of stimulus funds includes a request of \$99,600 for the installation of new doorbells at the Laurel, MS, Housing Authority. Available at <http://www.usmayors.org>

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